PROVINCE OF SASKATCHEWAN

# 11-12

## FINANCIAL STATEMENTS

**MINISTRY OF ADVANCED EDUCATION, EMPLOYMENT AND IMMIGRATION**

Training Completions Fund

# Letters of Transmittal

Her Honour, the Honourable Vaughn Solomon Schofield,
Lieutenant Governor of Saskatchewan

May it Please Your Honour:

I respectfully submit the Financial Statements of the Training Completions Fund for the fiscal year ending March 31, 2012.

D R Morgan

Don Moran
Minister of Advanced Education

The Honourable Don Morgan
Minister of Advanced Education

I have the honour of submitting the Financial Statements of the Training Completions Fund for the fiscal year ending March 31, 2012.

Louise Greenberg

Louise Greenberg
Deputy Minister
Advanced Education

PROVINCIAL AUDITOR
*of Saskatchewan*

## INDEPENDENT AUDITOR'S REPORT

To: The Members of the Legislative Assembly of Saskatchewan

I have audited the accompanying financial statements of the Training Completions Fund, which comprise the statement of financial position as at March 31, 2012, and the statement of operations and changes in net financial assets for the year then ended, and a summary of significant accounting policies and other explanatory information.

*Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards for Treasury Board's approval, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

*Auditor's Responsibility*

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

*Opinion*

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Training Completions Fund as at March 31, 2012, and the results of its operations and changes in net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Bonnie Lysyk, MBA, CA
Provincial Auditor

Regina, Saskatchewan
July 9, 2012

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# Financial Statements

**Statement 1**

Training Completions Fund
Statement of Financial Position
As at March 31

| | 2012 | 2011 |
|---|---|---|
| **Financial Assets** | | |
| Due from General Revenue Fund (Note 4) | $ 472,243 | $ 454,492 |
| Accounts receivable | 6,180 | - |
| Interest receivable | 1,240 | 1,266 |
| | $ 479,663 | $ 455,758 |
| **Liabilities and Net Financial Assets** | | |
| **Liabilities** | | |
| Accounts Payable | $ - | $ 9,650 |
| Other (Note 5) | 26,421 | 26,421 |
| | 26,421 | 36,071 |
| Net financial assets (Statement 2) | 453,242 | 419,687 |
| | $ 479,663 | $ 455,758 |

(See accompanying notes to the financial statements)

**Statement 2**

Training Completions Fund
Statement of Operations and Changes in Net Financial Assets
For the Year Ended March 31

| | 2012 | 2011 |
|---|---|---|
| **Revenue** | | |
| Assessment fees | $ 27,539 | $ 25,032 |
| Interest income | 4,931 | 4,218 |
| | 32,470 | 29,250 |
| **Expenses** | | |
| Student compensation | - | 13,932 |
| Training completion | (1,085) | 42,900 |
| | (1,085) | 56,832 |
| Surplus (deficit) for the year | 33,555 | (27,582) |
| Net financial assets, beginning of year | 419,687 | 447,269 |
| Net financial assets, end of year - to Statement 1 | $ 453,242 | $ 419,687 |

(See accompanying notes to the financial statements)

**Training Completions Fund**
**Notes to Financial Statements**
**March 31, 2012**

## 1. Overview of the Fund

The Training Completions Fund (Fund) was created under the *Private Vocational Schools Regulation Act, 1995.* The act was proclaimed on December 15, 1995.

The Fund is administered by the Ministry of Advanced Education, Employment and Immigration. The revenue of the Fund consists of monies that operators are directed by regulations to provide, donations to the Fund and earnings from the investments of the Fund. The Fund is primarily used to provide the financial resources necessary to continue the training of students affected by the closure of a private vocational school.

## 2. Significant Accounting Policies

These financial statements are prepared in accordance with Canadian generally accepted accounting principles as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

### Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results may differ from those estimates.

## 3. Related Party Transactions

The Fund has not been charged with any administrative costs and no provision for such costs is reflected in these statements. These costs are borne by the Ministry of Advanced Education, Employment and Immigration. Other related party transactions are disclosed separately in these financial statements.

## 4. Due from the General Revenue Fund

The monies of the Fund are deposited in the General Revenue Fund. The Fund's interest is calculated and paid from the General Revenue Fund on a quarterly basis using the Government's thirty-day borrowing rate and the Fund's average daily account balance. The Government's average thirty-day borrowing rate for the year ended March 31, 2012 is 1.05% (2011 – 0.80%).

## 5. Other Liabilities

The Fund administers performance bonds and other amounts provided by private vocational school operators. The performance bonds are required under the *Private Vocational Schools Regulation Act, 1995*, to guarantee obligations under student contracts, the Act and regulations.

Other liabilities represent the proceeds from performance bonds and refunds due to students provided by school operators that have not been paid out to satisfy student claims at year end. After all amounts have been paid out to satisfy student claims, the net balance of the proceeds, if any, will be repaid to the issuer. During the year, the Fund received $0 (2011 - $20,000) in proceeds from performance bonds claimed by the Ministry.

The Fund paid out $0 (2010 - $79,393) during the year on behalf of the issuers. Since the amounts were held on behalf of the issuers, they are not included in the revenues or expenses of the Fund.

## 6. Financial Instruments

The Fund's financial instruments include due from General Revenue Fund, accounts receivable, interest receivable, accounts payable, and other liabilities. Due to the immediate or short-term nature, the fair value of these financial instruments approximates their carrying values.

## 7. Cash Flow Statement

A cash flow statement has not been presented since this information is readily apparent from the other financial statements.

# For More Information

If you have any questions or comments, or would like additional copies of the Training Completions Fund 2011-12 Annual Report, we invite you to call (306) 787-9478 or contact:

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Communications
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Regina, SK S4P 2C8

To download a copy of the report or to obtain more information about programs and services contained in this annual report, please visit the Ministry's website at www.aeei.gov.sk.ca.